

ECONOMIC DEVELOPMENT, IOWA DEPARTMENT OF[261]**Adopted and Filed Emergency**

Pursuant to the authority of Iowa Code sections 15.104 and 15.106, the Iowa Department of Economic Development adopts amendments to Chapter 23, “Iowa Community Development Block Grant Program,” Iowa Administrative Code.

These amendments revise portions of the rules that impact the CDBG Contingency Fund. There are two other recent rule-making actions that impact the CDBG Contingency Fund rules: (1) Final amendments adopted by the Board on September 26, 2008. This rule making was part of the Department’s annual update of the CDBG rules. These amendments were Adopted and Filed and published in the Iowa Administrative Bulletin on October 22, 2008, as **ARC 7276B** and will become effective on November 26, 2008. (2) An Adopted and Filed Emergency amendment was adopted by the Board on September 26, 2008, that authorized the transfer of \$5 million of Economic Development Set-Aside (EDSA) funds to the CDBG Contingency Fund for purposes of disaster recovery efforts. That amendment became effective on September 26, 2008. The amendment was published in the Iowa Administrative Bulletin on October 22, 2008, as **ARC 7275B**.

During the publication process for the two rule makings described above, editors in the Administrative Code Office identified other rules that apply to the CDBG Contingency Fund which were not consistent. The changes needed to make the rules consistent went beyond the normal, routine editing process. This new rule making rescinds and replaces subrules 23.4(4) and 23.4(5) with new language. A portion of rule 261—23.10(15) is rescinded and replaced with new language to make all rules governing the CDBG Contingency Fund consistent.

The Iowa Economic Development Board adopted these amendments on October 16, 2008.

In compliance with Iowa Code section 17A.4(2), the Department finds that notice and public participation are impracticable and contrary to the public interest because these amendments do not alter the substance of prior amendments; they just synchronize the CDBG rules that apply to the contingency fund so that the rules are consistent.

The Department finds, pursuant to Iowa Code section 17A.5(2)“b”(2), that the normal effective date of these amendments should be waived and these amendments be made effective upon filing with the Administrative Rules Coordinator on October 16, 2008. These amendments confer a benefit on the public by ensuring that the CDBG rules applicable to the reallocation and use of EDSA funds to the CDBG Contingency Fund for this federal fiscal year are consistent and clear.

These amendments became effective on October 16, 2008.

These amendments are intended to implement Iowa Code section 15.108(1)“a.”

The following amendments are adopted.

ITEM 1. Rescind subrules 23.4(4) and 23.4(5) and adopt the following **new** subrules in lieu thereof:

23.4(4) *Job creation, retention and enhancement fund.* Twenty percent of the funds shall be reserved for a job creation, retention and enhancement fund to be for workforce development and to expand economic opportunities and job training for LMI persons. Job creation, retention and enhancement funds are awarded through three programs: the economic development set-aside (EDSA), the public facilities set-aside (PFSA), and career link. For CDBG federal program year 2008 only (October 1, 2007, through September 30, 2008), up to \$5 million of funding normally allocated to this job creation, retention and enhancement fund may be allocated by the department to the contingency fund established in subrule 23.4(5). If reallocated, the funds will be used for disaster recovery activities.

23.4(5) *Contingency funds.* IDED reserves the right to allocate up to 5 percent of the funds for projects that address threats to public health and safety, or for disaster recovery activities, or for sustainable community demonstration projects. No more than \$1 million may be utilized for sustainable community demonstration projects. For CDBG federal program year 2008 only (October 1, 2007, through September 30, 2008), an additional amount of up to \$5 million of funding normally allocated

to the job creation, retention and enhancement fund in subrule 23.4(4) may instead be allocated by the department to this contingency fund, and used for disaster recovery activities.

ITEM 2. Rescind the introductory paragraph in rule 261—23.10(15) and adopt the following **new** introductory paragraph in lieu thereof:

261—23.10(15) Requirements for the contingency fund. The contingency fund is reserved for communities experiencing a threat to public health, safety or welfare that necessitates immediate corrective action sooner than can be accomplished through normal community development block grant procedures, or for disaster recovery activities, or for communities developing a sustainable community demonstration project.

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EDITOR’S NOTE: For replacement pages for IAC, see IAC Supplement 11/5/08.